



**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

[OMB Control No. 9000-0149; Docket No. 2018-0003; Sequence No. 16]

**Submission for OMB Review; Subcontract Consent and Contractors' Purchasing System Review**

**AGENCIES:** Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Notice.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat Division will be submitting to the Office of Management and Budget (OMB) a request to review and approve an extension of a previously approved information collection requirement concerning consent to subcontract, advance notification, and Contractors' purchasing system review.

**DATES:** Submit comments on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**ADDRESSES:** Submit comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to:

Office of Information and Regulatory Affairs of OMB,

Attention: Desk Officer for GSA, Room 10236, NEOB, Washington, DC 20503. Additionally submit a copy to GSA by any of the following methods:

- *Federal eRulemaking Portal*: This website provides the ability to type short comments directly into the comment field or attach a file for lengthier comments. Go to <http://www.regulations.gov> and follow the instructions on the site.
- *Mail*: General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street, NW, Washington, DC 20405. ATTN: Ms. Mandell/IC 9000-0149, Subcontract Consent and Contractors' Purchasing System Review.

*Instructions*: All items submitted must cite Information Collection 9000-0149, Subcontract Consent and Contractors' Purchasing System Review.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check [www.regulations.gov](http://www.regulations.gov), approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

**FOR FURTHER INFORMATION CONTACT:** Ms. Mahruba Uddowla,  
Procurement Analyst, at telephone 703-605-2868, or email  
[mahruba.uddowla@gsa.gov](mailto:mahruba.uddowla@gsa.gov).

**SUPPLEMENTARY INFORMATION:**

**A. Purpose**

This information collection requirement, OMB Control No. 9000-0149, currently titled "Subcontract Consent," is proposed to be retitled "Subcontract Consent and Contractors' Purchasing System Review," due to consolidation with currently approved information collection requirement OMB Control No. 9000-0132, Contractors' Purchasing System Review.

This clearance covers the information that a contractor must submit to comply with the requirements in Federal Acquisition Regulation (FAR) 52.244-2, Subcontracts, regarding consent to subcontract, advance notification, and Contractors' purchasing system review as follows:

**1. Consent to subcontract.** This is the contracting officer's written consent for the prime contractor to enter into a particular subcontract. In order for the contracting officer responsible for consent to make an informed decision, the prime contractor must submit adequate information to ensure that the proposed subcontract is appropriate for the risks involved and

consistent with current policy and sound business judgment. The review allows the Government to determine whether the contractor's purchasing policies and practices are efficient and adequately protect the Government's interests.

If the contractor has an approved purchasing system, consent is required for subcontracts specifically identified by the contracting officer in the subcontracts clause of the contract. The contracting officer may require consent to subcontract if the contracting officer has determined that an individual consent action is required to protect the Government adequately because of the subcontract type, complexity, or value, or because the subcontract needs special surveillance. These can be subcontracts for critical systems, subsystems, components, or services.

If the contractor does not have an approved purchasing system, consent to subcontract is required for cost-reimbursement, time-and-materials, labor-hour, or letter contracts, and also for unpriced actions under fixed-price contracts that exceed the simplified acquisition threshold.

**2. Advance notification.** Prime contractors must provide contracting officers notification before the award of any

cost-plus-fixed-fee subcontract, or certain fixed-price subcontracts. This requirement for advance notification is driven by statutory requirements in 10 U.S.C. 2306 and 41 U.S.C. 3905.

**3. Contractors' Purchasing System Review.** The objective of a contractor purchasing system review (CPSR), is to evaluate the efficiency and effectiveness with which a contractor spends Government funds and complies with Government policy when subcontracting.

Paragraph (i) of FAR clause 52.244-2 specifies that the Government reserves the right to review the contractor's purchasing system as set forth in FAR subpart 44.3. FAR 44.302 requires the administrative contracting officer (ACO) to determine the need for a CPSR based on, but not limited to, the past performance of the contractor, and the volume, complexity and dollar value of subcontracts. If a contractor's sales to the Government (excluding competitively awarded firm-fixed-price and competitively awarded fixed-price with economic price adjustment contracts and sales of commercial items pursuant to Part 12) are expected to exceed \$25 million during the next 12 months, the ACO will perform a review to determine if a CPSR is needed. Sales include those represented by prime

contracts, subcontracts under Government prime contracts, and modifications. Generally, a CPSR is not performed for a specific contract. The head of the agency responsible for contract administration may raise or lower the \$25 million review level if it is considered to be in the Government's best interest. Once an initial determination has been made to conduct a review, at least every three years the ACO shall determine whether a purchasing system review is necessary. If necessary, the cognizant contract administration office will conduct a purchasing system review.

A CPSR provides the administrative contracting officer (ACO) a basis for granting, withholding, or withdrawing approval of a contractor's purchasing system. An approved purchasing system allows the contractor more autonomy in subcontracting actions. Without an approved purchasing system more Government oversight is necessary, and Government consent to subcontract is required. Generally, a CPSR is not performed for a specific contract. Rather, CPSRs are conducted on contractors based on the factors identified above.

The cognizant ACO is responsible for granting, withholding, or withdrawing approval of a contractor's

purchasing system and for promptly notifying the contractor of same (FAR 44.305-1).

Related administrative requirements are as follows: FAR 44.305-2(c) requires that when recommendations are made for improvement of an approved system, the contractor shall be requested to reply within 15 days with a position regarding the recommendations. FAR 44.305-3(b) requires when approval of the contractor's purchasing system is withheld or withdrawn, the ACO shall within 10 days after completing the in-plant review (1) inform the contractor in writing, (2) specify the deficiencies that must be corrected to qualify the system for approval, and (3) request the contractor to furnish within 15 days a plan for accomplishing the necessary actions. If the plan is accepted, the ACO shall make a follow-up review as soon as the contractor notifies the ACO that the deficiencies have been corrected.

#### **B. Public Comment**

A notice was published in the *Federal Register* at 83 FR 42651, on August 23, 2018. No comments were received.

#### **C. Annual Reporting Burden**

The burden estimates provided in the notice published in the *Federal Register* at 83 FR 42651, on August 23, 2018,

have been adjusted to reflect current, relevant data and appropriate methodology.

**1. Consent to subcontract.**

Respondents: 2,053.  
Responses Per Respondent: 3.  
Total Annual Responses: 6,159.  
Hours Per Response: 3.  
Total Burden Hours: 18,477.

**2. Advance notification.**

Respondents: 1,336.  
Responses Per Respondent: 3.  
Total Annual Responses: 4,008.  
Hours Per Response: 0.25.  
Total Burden Hours: 1,002.

**3. Contractors' Purchasing System Review.**

Respondents: 240.  
Responses Per Respondent: 1.  
Total Annual Responses: 240.  
Hours Per Response: 160.  
Total Burden Hours: 38,400.

**4. Summary.**

Respondents: 3,629.  
Total Annual Responses: 10,407.



Total Burden Hours: 57,879.

Affected Public: Businesses or other for-profit and not-for-profit institutions.

**OBTAINING COPIES:** Requesters may obtain a copy of the information collection documents from the General Services Administration, Regulatory Secretariat Division (MVCB), 1800 F Street, NW, Washington, DC 20405, telephone 202-501-4755. Please cite OMB Control No. 9000-0149, Subcontract Consent and Contractors' Purchasing System Review, in all correspondence.

Dated: November 27, 2018.

**Janet Fry,**

*Director,*

*Federal Acquisition Policy Division,*

*Office of Governmentwide Acquisition Policy,*

*Office of Acquisition Policy,*

*Office of Governmentwide Policy.*

**BILLING CODE: 6820-EP**

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